

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – SEPTEMBER 14, 2018

#### CALL TO ORDER (A.)

Chairman Brandon Jones called the September 14, 2018 meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners Larry Turnquist and Dave Myres were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Electronic Security Manager Roger Bailey, Director of Security Joe Herridge, Recording Secretary Sarah Lynch-Chaput, and other staff.

#### MOTION, APPROVE AGENDA (B.)

Commissioner Turnquist (Myres) moved to approve the agenda. Motion carried unanimously.

#### MOTION, APPROVE AUGUST 17, 2018 MEETING MINUTES (C.1.)

Commissioner Myres (Turnquist) moved to approve the minutes of the August 17, 2018 meeting. Motion carried unanimously.

#### MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Turnquist (Myres) moved to approve the consent agenda. Motion carried unanimously.

#### LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Diane Giardine, General Manager, reported:

- August 2018 revenue numbers compared to August 2017:
  - Total gaming revenue increase of 8.91%
  - Total slot revenue up 10.70%
  - Table games revenue down 2.97%
- Past Promotions and Events:
  - Dodge City Days Slot Tournament
  - Labor Day Buffet
  - Tracy Byrd, September 13<sup>th</sup>
- Upcoming Promotions and Events:
  - Pro-Football Challenge
  - America Live!, September 29<sup>th</sup>
  - Casting Crowns, October 2<sup>nd</sup>
  - Hairball, October 12<sup>th</sup>
  - Ronnie Milsap, October 13<sup>th</sup>

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
STAR  
(E.2.a.)

Jeff Babinski, General Manager, reported:

- August 2018 revenue numbers compared to August 2017:
  - Admissions down 0.15%
  - Total gross gaming revenue up 7.6%
  - Slot coin-in up 4.5%
  - Slot hold up 0.28 points
  - Table games drop down 1.3%
  - Table games hold down 2.2 points
  - Poker revenue down 8.5%
- Past Events and Promotions:
  - Riley Green - New Artist Showcase, August 13<sup>th</sup>
  - Jay Leno, August 18<sup>th</sup>
- Upcoming Events and Promotions:
  - Asian Variety Show, September 22<sup>nd</sup>
  - Loverboy, September 29<sup>th</sup>
  - Evolution Fighting Championship, October 10<sup>th</sup>
  - Midwest Beerfest, October 13<sup>th</sup>
  - National Final Steer Roping, November 2<sup>nd</sup> and 3<sup>rd</sup>

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS;  
HOLLYWOOD CASINO AT  
KANSAS SPEEDWAY  
(E.3.a.)

Al Thompson, Vice President of Casino Operations, reported:

- August 2018 revenue numbers compared to August 2017:
  - Total gaming revenue was \$12.6 million, an increase of \$681,000 or 5.7%
  - Table games revenue was \$1.4 million, an increase of \$10,000 or 0.7%
  - Slot revenue was \$11.2 million, an increase of \$671,000 or 6.4%
- August Events and Promotions:
  - Hollywood Hoedown
  - Night of 102 Winners
  - \$300k Progressive Extravaganza
  - 2018 Pigskin Payoff Kickoff

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
CROSSING CASINO  
(E.4.a.)

Doug Fisher, General Manager, reported:

- August 2018 revenue numbers compared to August 2017:
  - Admissions increased 6.4%
  - Net slot win increased 28.1%
  - Net table games win decreased 21%
  - Net gaming revenue increased 21.7%

- Past Events and Promotions:
  - Blackjack Tournament, August 18<sup>th</sup>
  - Jeep Wrangler Giveaway, August 25<sup>th</sup>
  - Reza, Illusionist, August 25<sup>th</sup>
  - VIP Slot Tournament, August 26<sup>th</sup>
  - Beach Vacation Giveaway, August 30<sup>th</sup>
- Upcoming Events and Promotions:
  - September Thursdays - \$5,000 Cash Giveaway
  - September Fridays – Polaris Ranger ATV Giveaway
  - September Saturdays - \$15,000 Cash Giveaway
  - Walkout MMA, September 15<sup>th</sup>
  - BoStyx, Boston and Styx Tribute Show, October 13<sup>th</sup>
  - Quiet Riot, October 27<sup>th</sup>
  - World Class Revolution Wrestling, November 3<sup>rd</sup>

COMMISSION ITEMS –  
OLD BUSINESS  
(F.)

There were no old business items.

COMMISSION ITEMS –  
NEW BUSINESS  
(G.1)

Brandi White, Director of Administration, Finance, and Audit, KRGC presented to the commission on the FY 2019, FY 2020, and FY 2021 KRGC Budgets. Don Brownlee, Executive Director, KRGC spoke to the commission about the vacant positions within the agency. Mark Dodd, Executive Director, Kansas State Gaming Agency presented to the commission on the FY 2019, FY 2020, and FY 2021 State Gaming Agency budgets.

MOTION, BUDGET  
APPROVAL  
(G.1)

Commissioner Myres (Turnquist) moved that the Commission approve the FY 2019, FY 2020, and FY 2021 budgets as proposed. The motion carried unanimously.

PUBLIC COMMENTS  
(H.)

There were no public comments.

STAFF REPORTS  
(I.1.a. and I.2)

Sarah Lynch-Chaput, Legal Assistant, reported on the Voluntary Exclusion Program statistics for the month of August 2018.

Executive Director Brownlee reported:

- The law enforcement side of the agency recently transitioned to new handguns. The old handguns were traded in to the company from which the new handguns



were purchased. The new handguns are easier for the agents to maintain, lighter, and hold more rounds.

- There are no updates to sports wagering legislation. The interim committee date is anticipated to be after the November election.
- The next commission meeting is scheduled for October 12, 2018 at 10:00 a.m. in Topeka.

MOTION, EXECUTIVE  
SESSION  
(J.1)

Commissioner Myres (Turnquist) moved that the Commission go into executive session for the purpose of conducting a hearing on the forfeiture of funds seized from a voluntarily excluded person for whom the KRGC is contractually obligated to maintain confidentiality. Those included in the executive session, in addition to the commissioners, were the executive director, general counsel, and Michelle Neis, staff attorney. The voluntarily excluded person and his attorney, David Nelson, were not present. The total time for the executive session was anticipated to be fifteen minutes until 10:45 a.m. No action is to be taken in executive session, and the subject discussed is to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 10:30 a.m.

RECONVENE

The commission meeting returned to open session at 10:45 a.m. with all members present.

MOTION, EXECUTIVE  
SESSIONS  
(J.2)

Commissioner Turnquist (Myres) moved that the Commission go into executive session for the purpose of confidential attorney-client privileged communication relating to gambling machine seizures and forfeitures. Those included in the executive session, in addition to the commissioners, were the executive director and general counsel. The total time for the executive session was anticipated to be fifteen minutes until 11:05 a.m. No action is to be taken in executive session, and the subject discussed is to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 10:50 a.m.

RECONVENE

The commission meeting returned to open session at 11:05 a.m. with all members present.

MOTION, VOLUNTARY  
EXCLUSION PROGRAM  
FORFEITURE HEARING  
(J.1)

Commissioner Myres (Turnquist) moved that the Commission uphold the findings of the summary proceeding order in KRGK Case No. 2018-9022. The motion carried unanimously.

MOTION, EXECUTIVE  
SESSIONS  
(J.3)

Commissioner Myres (Turnquist) moved that the Commission go into executive session for the purpose of deliberating on license applications, including reviewing confidential background reports. Those included in the executive session, in addition to the commissioners, were the executive director, general counsel, and director of security. The total time for the executive session was anticipated to be ten minutes until 11:20 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 11:10 a.m.

RECONVENE

The commission meeting returned to open session at 11:20 a.m. with all members present.

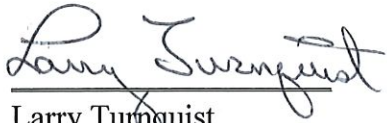
MOTION TO DENY,  
CONDITIONALLY  
APPROVE, APPROVE  
RECONSIDERATION, ,  
TABLE, AND APPROVE  
LICENSE APPLICATIONS  
(K.)

Commissioner Turnquist (Myres) moved to *conditionally approve* one license application and *approve* the remaining 168 license applications from the September 14, 2018 list of background reports referred to the commission for action. Motion carried unanimously.

ADJOURN  
(L.)

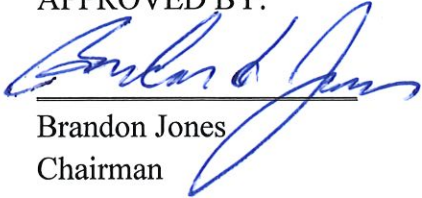
Commissioner Myres (Turnquist) moved to adjourn the meeting. Motion carried unanimously. The meeting was adjourned at 11:25 a.m.

SUBMITTED BY:

A handwritten signature in black ink, appearing to read "Larry Turnquist", written over a horizontal line.

Larry Turnquist  
Secretary

APPROVED BY:

A handwritten signature in blue ink, appearing to read "Brandon Jones", written over a horizontal line.

Brandon Jones  
Chairman